

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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)
GRANITE STATE INSURANCE)
COMPANY,)
)
Plaintiff,)
) Civil Action No.: 09 CV 10607 (RJH) (DCF)
-against-)
)
CLEARWATER INSURANCE COMPANY,)
f/k/a ODYSSEY REINSURANCE)
CORPORATION, f/k/a SKANDIA)
AMERICA REINSURANCE)
CORPORATION,)
)
Defendant.)
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DECLARATION OF STEPHEN M. KENNEDY

I, Stephen M. Kennedy, an attorney duly admitted to practice before this Honorable Court, declare under penalty of perjury:

1. I am a member of the law firm of Clyde & Co US LLP, counsel for Defendant Clearwater Insurance Company ("Clearwater"), in this action. I submit this Declaration in Support of Clearwater's Cross-Motion for Summary Judgment and in opposition to Granite State's Motion for Summary Judgment.

2. Attached hereto as Exhibit 1 are true and accurate copies of excerpts from the transcript of the March 10, 2011 deposition of Francis Cafone in this action.

3. Attached hereto as Exhibit 2 are true and accurate copies of excerpts from the transcript of the February 23, 2011 deposition of Leticia Diaz in this action.

4. Attached hereto as Exhibit 3 are true and accurate copies of excerpts from the transcript of the March 4, 2011 deposition of Jeff Genereux in this action.

5. Attached hereto as Exhibit 4 are true and accurate copies of excerpts from the transcript of the February 15, 2011 deposition of Jeffrey Wactlar in this action.

6. Attached hereto as Exhibit 5 are true and accurate copies of excerpts from the transcript of the February 18, 2011 deposition of Simon Yoon in this action.

7. Attached hereto as Exhibit 6 are true and accurate copies of excerpts from the transcript of the December 15, 2010 deposition of Theresa Chavez in this action.

8. Attached hereto as Exhibit 7 are true and accurate copies of excerpts from the transcript of the January 19, 2011 deposition of Evelyn Drew in this action.

9. Attached hereto as Exhibit 8 are true and accurate copies of excerpts from the transcript of the February 11, 2011 deposition of Julie Tavernese in this action.

10. Attached hereto as Exhibit 9 are true and accurate copies of excerpts from the transcript of the March 8, 2011 deposition of Jean Willig in this action.

11. Attached hereto as Exhibit 10 is a true and accurate copy of a June 14, 2010 letter from Leticia Diaz of Chartis Claims, Inc., Asbestos Claims Department to Evelyn Drew of Odyssey Re, produced by Clearwater in this action.

12. Attached hereto as Exhibit 11 is a true and accurate copy of a September 13, 2010 letter to "All Interested Reinsurers" from Leticia Diaz of Chartis Claims, Inc., Asbestos Claims Department, produced by Clearwater in this action.

13. Attached hereto as Exhibit 12 is a true and accurate copy of a March 31, 2004 e-mail from Jeff Genereux to John Shea and Thomas Wilkinson, Jr. regarding "Dresser – HW and DII SW Share," produced by Granite State in this action.

14. Attached hereto as Exhibit 13 is a true and accurate copy of a March 11, 2004 e-mail from Cliff Hendler to various recipients regarding "DII Split Coverage Modeling Results," produced by Granite State in this action.

15. Attached hereto as Exhibit 14 is a true and accurate copy of an April 23, 2010 e-mail from Paul Colon attaching an April 23, 2010 letter from Leticia Diaz of Chartis Claims, Inc., Asbestos Claims Department to Evelyn Drew of Odyssey Re, produced by Granite State in this action.

16. Attached hereto as Exhibit 15 is a true and accurate copy of an August 11, 2008 e-mail from James Dolan of Cozen O'Connor to Jeffrey Wactlar with attachments, produced by Granite State in this action.

17. Attached hereto as Exhibit 16 is a true and accurate copy of a December 16, 2003 Brattle Group report produced by Granite State in this action.

18. Attached hereto as Exhibit 17 is a true and accurate copy of a December 16, 2003 Brattle Group report concerning "Summary of Insurance Allocation Scenarios for Dresser and Federal Mogul Asbestos Claims", produced by Granite State in this action.

19. Attached hereto as Exhibit 18 is a true and accurate copy of a May 5, 2004 e-mail from Jeff Genereux to Mike Ceppi, produced by Granite State in this action.

20. Attached hereto as Exhibit 19 is a true and accurate copy of an April 19, 2004 Alan Gray spreadsheet, produced by Granite State in this action.

21. Attached hereto as Exhibit 20 is a true and accurate copy of an April 22, 2004 fax from Simon Yoon to Jeff Genereux with attachments, produced by Granite State in this action.

22. Attached hereto as Exhibit 21 is a true and accurate copy of an April 22, 2004 spreadsheet produced by Granite State in this action.

23. Attached hereto as Exhibit 22 is a true and accurate copy of an April 26, 2004 e-mail from Jeff Genereux to John Shea and Tom Wilkinson with attachments, produced by Granite State in this action.

24. Attached hereto as Exhibit 23 is a true and accurate copy of a chart entitled "Dresser – AIG: Combined Harbison and Studebaker Settlement Suggestion on 04/26/2004," produced by Granite State in this action.

25. Attached hereto as Exhibit 24 is a true and accurate copy of a May 9, 2004 e-mail from Thomas Wilkinson to Mike Ceppi at Alan Gray, produced by Granite State in this action.

26. Attached hereto as Exhibit 25 is a true and accurate copy of a May 10, 2004 e-mail from Simon Yoon to Jeff Genereux and Mike Ceppi with other documents, produced by Granite State in this action.

27. Attached hereto as Exhibit 26 is a true and accurate copy of spreadsheets concerning "Payments by Carrier," produced by Granite State in this action.

28. Attached hereto as Exhibit 27 is a true and accurate copy of a spreadsheet concerning "Dresser – AIG: Cash Flow Analysis of Agreement in Principle May 10, 2004," produced by Granite State in this action.

29. Attached hereto as Exhibit 28 is a true and accurate copy of a note produced by Granite State in this action.

30. Attached hereto as Exhibit 29 is a true and accurate copy of a June 23, 2004 e-mail from Jeff Genereux to Simon Yoon produced by Granite State in this action.

31. Attached hereto as Exhibit 30 is a true and accurate copy of an October 29, 2004 e-mail from Jeff Genereux to Simon Yoon produced by Granite State in this action.

32. Attached hereto as Exhibit 31 is a true and accurate copy of a November 15, 2004 e-mail from Donal Luna to various recipients produced by Granite State in this action.

33. Attached hereto as Exhibit 32 is a true and accurate copy of an August 25, 2004 e-mail from Jeff Genereux to Stefano Chao produced by Granite State in this action.

34. Attached hereto as Exhibit 33 is a true and accurate copy of an August 31, 2006 e-mail with attachment from Leticia Diaz to Francis Cafone produced by Granite State in this action.

35. Attached hereto as Exhibit 34 is a true and accurate copy of an e-mail stream ending with a June 23, 2009 e-mail from Evelyn Drew to MaryEllen Wakeman, produced by Clearwater in this action.

36. Attached hereto as Exhibit 35 is a true and accurate copy of a March 22, 2004 e-mail from Jeff Genereux to John Shea produced by Granite State in this action.

37. Attached hereto as Exhibit 36 is a true and accurate copy of a June 23, 2009 e-mail with attachment from Evelyn Drew to MaryEllen Wakeman produced by Clearwater in this action.

38. Attached hereto as Exhibit 37 is a true and accurate copy of an October 21, 2009 e-mail from Evelyn Drew to MaryEllen Wakeman produced by Clearwater in this action.

39. Attached hereto as Exhibit 38 is a true and accurate copy of a document concerning "Federal Mogul (Mediation) – The Brattle Group Update July 28, 2005 – PowerPoint Presentation & Allocation Run," produced by Granite State in this action.

40. Attached hereto as Exhibit 39 is a true and accurate copy of a document concerning Federal Mogul "9-15-05 Carriers' Offer and Terms," produced by Granite State in this action.

41. Attached hereto as Exhibit 40 is a true and accurate copy of a January 12, 2006 "Carriers' Counsel Proposal," produced by Granite State in this action.

42. Attached hereto as Exhibit 41 is a true and accurate copy of a July 27, 2006 e-mail from Ted Feldman to recipients, produced by Granite State in this action.

43. Attached hereto as Exhibit 42 is a true and accurate copy of claim-related documents concerning the 1980 McGraw Edison Policy, produced by Granite State in this action.

44. Attached hereto as Exhibit 43 is a true and accurate copy of claim-related documents concerning the 1981 McGraw Edison Policy, produced by Granite State in this action.

45. Attached hereto as Exhibit 44 is a true and accurate copy of a March 12, 2008 e-mail from Jeffrey Wactlar to Shanon Mumford, produced by Granite State in this action.

46. Attached hereto as Exhibit 45 is a true and accurate copy of a December 9, 2008 Memorandum from Jeffrey Wactlar to Steven Parness produced by Granite State in this action.

47. Attached hereto as Exhibit 46 is a true and accurate copy of an August 5, 2009 letter from Steve Schwesinger to Julie Tavernese produced by Granite State in this action.

48. Attached hereto as Exhibit 47 is a true and accurate copy of a February 23, 2009 letter from Campos & Stratis to Jeffrey Wactlar produced by Granite State in this action.

49. Attached hereto as Exhibit 48 is a true and accurate copy of a January 5, 2009 e-mail from Lynn Mitchell of Campos & Stratis to Judy Marotti produced by Granite State in this action.

50. Attached hereto as Exhibit 49 is a true and accurate copy of an "Executive Claim Summary" dated March 12, 2009 and related documents, produced by Granite State in this action.

51. Attached hereto as Exhibit 50 is a true and accurate copy of a Reinsurance Notice of Loss dated April 16, 2008, produced by Clearwater in this action.

52. Attached hereto as Exhibit 51 is a true and accurate copy of a Reinsurance Notice of Loss dated February 17, 2009, produced by Clearwater in this action.

53. Attached hereto as Exhibit 52 is a true and accurate copy of an e-mail string ending with an April 28, 2009 e-mail from Kate DePasquale to Julie Tavernese, produced by Clearwater in this action.

54. Attached hereto as Exhibit 53 is a true and accurate copy of a June 8, 2009 inquiry from Julie Tavernese to Maryellen Wakeman, produced by Clearwater in this action.

55. Attached hereto as Exhibit 54 are true and accurate copies of various "Reinsurance Notices of Loss" produced by Clearwater in this action.

56. Attached hereto as Exhibit 55 are true and accurate copies of various "Reinsurance Notices of Loss" produced by Clearwater in this action.

57. Attached hereto as Exhibit 56 is a true and accurate copy of a March 19, 2010 e-mail with attachments from Chris Magnotta to Evelyn Drew, produced by Clearwater in this action.

58. Attached hereto as Exhibit 57 are true and accurate copies of various documents including a "Reinsurance FAC Proof of Loss" produced by Clearwater in this action.

59. Attached hereto as Exhibit 58 are true and accurate copies of various documents including a "Reinsurance FAC Proof of Loss" produced by Clearwater in this action.

60. Attached hereto as Exhibit 59 is a true and accurate copy of a document concerning "Policy Aggregate Limit Inquiry Search," produced by Granite State in this action.

61. Attached hereto as Exhibit 60 is a true and accurate copy of a February 16, 2011 e-mail from Matthew Lasky of Mound Cotton Wollan & Greengrass to Stephen Kennedy of Clyde & Co US LLP regarding Granite State's Rule 30(b)(6) witnesses.

62. Attached hereto as Exhibit 61 is a true and accurate copy of a January 24, 2003 Dresser Industries, Inc., Worthington/ALCO Coverage chart, produced by Granite State in this action.

63. Attached hereto as Exhibit 62 is a true and accurate copy of a December 22, 2003 legal brief submitted by Certain Insurers' in the Federal Mogul bankruptcy proceeding, produced by Granite State in this action.

64. Attached hereto as Exhibit 63 is a true and accurate copy of a September 3, 2008 Federal Mogul Settlement Memo from Steve Parness to Jeffrey Wactlar, produced by Granite State in this action.

65. Attached hereto as Exhibit 64 is a true and accurate copy of an August 27, 2008 e-mail from Tom Feldman to James Dolan, produced by Granite State in this action.

66. Attached hereto as Exhibit 65 is a true and accurate copy of a June 9, 2004 e-mail to various recipients, produced by Granite State in this action.

67. Attached hereto as Exhibit 66 is a true and accurate copy of a May 8, 2004 e-mail with attachments from Thomas Wilkinson to Simon Yoon, produced by Granite State in this action.

68. Attached hereto as Exhibit 67 is a true and accurate copy of a June 8, 2009 inquiry from Julie Tavernese to Maryellen Wakeman, produced by Clearwater in this action.

69. Attached hereto as Exhibit 68 is a true and accurate copy of June 23, 2009 email from Evelyn Drew to Maryellen Wakeman, produced by Clearwater in this action.

70. Attached hereto as Exhibit 69 is a true and accurate copy of a "Skandia America Casualty Facultative Computer and Underwriting Worksheet" and related documents, produced by Clearwater in this action.

71. Attached hereto as Exhibit 70 is a true and accurate copy of documents produced by Clearwater in this action.

72. Attached hereto as Exhibit 71 is a true and accurate copy of documents produced by Clearwater in this action.

73. Attached hereto as Exhibit 72 is a true and accurate copy of a handwritten note and attachment, produced by Granite State in this action.

74. Attached hereto as Exhibit 73 is a true and accurate copy of a document produced by Clearwater in this action.

75. Attached hereto as Exhibit 74 is a true and accurate copy of a July 2, 1985 letter from Jean Willig to William Green, produced by Clearwater in this action.

76. Attached hereto as Exhibit 75 is a true and accurate copy of a "Preliminary Claims Notice" dated June 8, 1994, produced by Clearwater in this action.

77. Attached hereto as Exhibit 76 is a true and accurate copy of a document produced by Clearwater in this action.

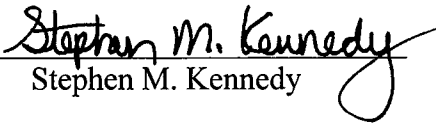
78. Attached hereto as Exhibit 77 is a true and accurate copy of document produced by Clearwater in this action.

79. Attached hereto as Exhibit 78 is a true and accurate copy of a January 3, 2011 letter from Matthew Lasky to the Honorable Judge Debra Freeman.

80. Attached hereto as Exhibit 79 is a true and accurate copy of the declarations page of the 1980 United States Fire Insurance Company Policy, produced by Granite State in this action.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: July 15, 2011
New York, New York



Stephen M. Kennedy